

## **Goods Movement Action Plan - Phase II**

### **Report from Environmental Mitigation Work Group (Later Renamed Public Health and Environmental Mitigation Work Group) November 1, 2005 Meeting Cal/EPA Building, Sacramento CA**

#### **I. Welcome and Introduction**

Meeting was Chaired by Todd Campbell, Policy & Science Director, Coalition for Clean Air, and T.L. Garrett, Vice President, Pacific Merchant Shipping Association. The co-chairs made brief introductory statements. The point of the importance of achieving balance between the development of the goods movement system improvements and the environmental and public health needs of the adjacent communities and people of California was made by Co-Chair Garrett. Co-Chair Campbell raised the environmental, public health and community concerns about the expansion of the goods movement system moving forward without a comprehensive plan that not only addressed existing impacts in the near term but would also enhance public health conditions for California in the long-term.

#### **II. Self Introductions:**

Members of the audience then made self introductions.

#### **III. Overview of the Phase II Action Plan Process**

Lynn Terry, Deputy Executive Director, California Air Resources Board gave a PowerPoint presentation. The draft Comprehensive Emissions Mitigation Plan is scheduled to be released for review on December 1, 2005. A copy of the presentation will be provided on the website.

#### **IV. Work Group Goals and Schedule**

Overall schedule of the Goods Movement Action Plan Phase II was given:

- A) Next meeting of the Environmental Subcommittee Role is tentatively scheduled on or about November 16, 2005.
- B) First Meeting of the Integrating Committee will be on November 3 & 4, 2005.

Comments made by members of the audience included:

- Provide more opportunity for members of the public from other parts of the state to participate in the Goods Movement Action Plan process.

Suggestions as to how this could be achieved included providing travel funding for more people to attend future meetings or holding more meetings in different localities (i.e., S.F./Bay Area, Central Valley, San Diego County, South Coast).

- Process must be more inclusive of communities that are impacted by goods movement system.
- Committee should be called the Public Health Work Group rather than the Environmental Work Group because the impacts focus on human health.
- Process originally intended to start in August and end by Mid-December. November start time calls for an extension of the schedule of the Goods Movement Report beyond mid-December 2005.
- Provide buffer areas between Ports (and other sectors of the Goods Movement System) and communities.
- As to funding, look at from where the goods are coming and to where the goods are going (e.g., other states). This analysis may support federal responsibility for funding.
- Some stakeholders are concerned about paying into a fee system when there is uncertainty as to how the funds will be expended and want the public to know that operators are already enduring costs to meet existing regulations.
- Some stakeholders are concerned about a lack of regulation today and the pace of this process to expand the state's GM system without a firm mitigation and enhancement plan in place first.
- Some questioned why NNI is the baseline for discussion and questioned if 2001 made sense for other ports beyond the San Pedro Bay.
- Is the ARB plan a baseline for this Work Group?

**V. Scope of the Goods Movement System**

- Identify potential funding sources outside of California for those that benefit from California's Good Movement System.
- Need a blueprint strategy at the local level for ports to head off fears of unfair competition.
- Identify how a comprehensive mitigation plan could frontload community benefits.
- Match the projects identified to amount of funding required.
- Create funding mechanism that can comprehensively capture both short and long-term impacts.
- Identified goal of 2001 levels by 2010 may not be appropriate for every port of call because the emissions may be different; there are different routes, different commodities and different margins.
- Not all NNI measures are cost-effective, but ARB could prioritize them and obtain public input on which measures are cost effective easy to implement.

- Incorporate cost-effective strategies in short-term and consider market-incentive based programs that eventually become required.
- Look at incentives and voluntary measures.
- Environmental justice concerns must filter out some market-based approaches like toxics trading.
- Not all mitigation approaches may make sense for each port as each port operates under different conditions or handles different cargo.
- Airports should be considered as part of the Goods Movement system, not be excluded.
- Identify how the Goods Movement goals fit into the attainment of air quality standards.
- Need to consider other environmental impacts such as water quality in addition to air quality.
- Provide an e-mail network to the Co-Chairs and ARB staff to bring additional issues/comments to the Integrating Committee.
- Look first at all of the things that are currently being done at the the port. Then look at infrastructure and mitigation projects and the associated benefits.
- Support all ARB rulemaking as a starting point and the go beyond that. Look at cleaner fuels and equipment.
- Do not recreate the wheel. Support ARB efforts/strong rulemakings and NNI.
- Utilize research on impacts. More research is needed. Focus on implementation.
- Adopt measures from the No Net Increase Report.
- Adopt a Statewide environmental impact program for all ports in California.
- Quantify the benefits of infrastructure projects and emissions benefits.
- Clarify what the product of the Goods Movement Action Plan will be.
- Consider other strategies to fund environmental mitigations such as the credit trading program proposed by the Maritime Goods Movement Coalition.
- Recognize that the needs of the eleven ports in California are not the same and that projects and programs need to be customized for each port.

**VI. Emission Reduction Goals in the Goods Movement Action Plan**

- The use the 2001 emission levels as the right goal was raised.
- GMAP goal should look for reductions across the entire system, not just maritime industry.
- How will ARB's recent MOU with the railroads impact this effort?
- Need for additional regulations, for example Tier 3 locomotive standards and the use of cleaner fuels.
- Quantification of the 2010 emission levels and how that meets the air quality standards attainment needs to be addressed. There is disagreement as to whether this has been accomplished to date.

- Specific goals, levels and dates need to be included in the action plan. It is possible to quantify 2001 levels and the expansion of the goals beyond port boundaries may result in the easier attainment of the goals.
- Could ARB put information together regarding: 1) goods movement sources; 2) emissions inventory; 3) 2010 expected progress; 4) attainment analysis? ARB staff stated that they would be providing such information.
- Truck routes and services for those trucks and truckers should be required within port boundaries and not allowed in the communities.
- Trucks should not be allowed to park in communities around the ports. The ports need to take responsibility for this.
- There is a need for incentives and market-based mechanisms.
- There needs to be focus on public health, new technologies and jobs.
- Local land use decisions that could result in difficulties with the implementation of the infrastructure projects or vice versa that have public benefits need to be considered. How useful are the ARB and AQMD handbooks on local land use to local governments?
- The benefits of providing a deep water channel to the port of Stockton for flood control and biological mitigation need to be included.
- Acknowledge that infrastructure improvements possess only near-term congestion benefits when that can actually worsen congestion when gridlock occurs in later years: “You can’t pave your way out of congestion.” SCAG acknowledges that the I-710 expansion will fill up before it is completed.
- Re-verify whether or not infrastructure expansion is truly beneficial to the California and SCAG regional economy. Has trade growth really been shown to be beneficial for our future economy independent of public health?
- How can we engage local jurisdictions to improve land use decisions (i.e., Need to find staging areas for trucks and locomotives – separate goods movement from people)?
- We have specific goals, adequate goals have been identified, and this committee needs to figure out how to identify them. 2001 quantified levels have been determined. Tremendous amount of data shows public health impacts at 2001.
- It may be easier to achieve 2001 emission reduction goals if more source categories are considered.

Discussion was followed by a short break.

## **VII. Role of the Environmental Impact Mitigation Work Group**

The organization chart was projected and comments from the audience regarding the interface between the Environmental Impact Mitigation Work Group, the CARB Emission Reduction Program, the other

supporting work groups and the Integrating Work Group were requested and none were given.

**VIII. Strategies to Reduce Emissions from Goods Movement**

**IX. Approach – Solutions and Priorities**

**X. Facilitated Discussion**

**XI. Other Issues**

At this point the meeting was thrown open to the audience to give input on the types of projects and how to prioritize those projects to take to the Integrating Work Group. Items discussed and programs recommended in comments from members of the audience included:

- Need to augment existing regulatory efforts.
- Include operational strategies to increase efficiencies.
- Incentive programs such as those that accelerate the replace of drayage trucks under the Gateways City program needs to be included.
- Market based strategies need to be considered (w/ care of environmental justice concerns).
- Lease requirements of the Ports to require environmental mitigation should be included and considerations to help Ports incorporate interim environmental opportunities for tenants.
- Consider terminal tariffs that are lower for good actors (e.g., those implementing BACT strategies) and higher for bad actors.
- Public education and research on health impacts is necessary.
- New technologies could play an important role.
- There is a need for job training.
- Consider the need to backstop measures outside of California if they don't come to pass, such as the IMO requirements, with additional mitigations under the Goods Movement Action Plan.
- There are no guarantees that the IMO or the Federal government will act so California should develop a plan without counting on federal or international government help.
- Adopt a No Net Increase approach for all California Ports.
- Add best elements of the Port of Long Beach's Green Port Policy to Port of Los Angeles' No Net Increase policy.
- Be aware of the Port of Los Angeles' efforts to go beyond NNI and ARB's acknowledgement that this must happen to achieve the goals of the Goods Movement Action Plan.
- NNI already incorporates voluntary incentive measures that have backstops for implementation.
- Require cleaner fuels in marine engines at a maximum of 0.5% sulfur and cleaner fuels in cargo-handling equipment (includes alternative fuels).
- There is a huge cost to shifting fuels. How can the good actors who act early be rewarded?
- Implement shore-side power throughout California ports.

- Develop state-wide policies to use port fees to mitigation environmental impacts.
- Consider incentives such as reduced port fees for vessels that meet environmental objective.
- Develop mitigation requirements and funding sources based on the relative value of Goods Movement without just focusing on Ports, specifically that interstate trade that never goes to any port is of greater value than port trade.
- Residential areas must be separated from port activities.
- The cleanest possible technologies must be used.
- A fund for community impacts should be developed.
- Container fees as a funding source. Use Leachman study as starting point. Perhaps elasticity studies need to be performed for all California ports because of uniqueness of each port's operations.
- Public-private partnership to govern container fee may be ideal to ensure funds won't be raided and money is spent wisely on both infrastructure improvements and public health impact improvements.
- Cargo fees must have a significant portion of the funds dedicated to environmental mitigation and public health improvements to garner buy in from impacted communities and public as a whole. Public health goals and strategies, both short and long-term, must be clear and implemented prior to expansion.
- Goals must be attainable and there need to be metrics to demonstrate progress.
- Truck traffic should be directed away from communities.
- Shore side power must be standardized.
- There is a need to include funding for testing of new technologies.
- Cost effectiveness and proximity to communities should be key priorities.
- Details from the Phase I Report should be shared with the Integrating Work Group.
- Retailers need to be involved.
- Companies that adopt cleaner technologies on their own should not be put at a competitive disadvantage by developing incentive programs that reward late comers.
- Results of the price elasticity study and the amount of fees that can be absorbed by container fees should be considered.
- The deadline for the Goods Movement Action Plan needs to be extended.
- There is a need to integrate the results of CARB's Comprehensive Emissions Reduction Plan as soon as possible. The report is currently scheduled for release on December 1, 2005.

## **XII. Summary Comments**

Todd Campbell gave a summary of the discussion of the Work Group.

**XIII. Next Steps**

Through the Integrating Work Group interface with the other work groups to: identify projects developed by the Infrastructure Work Group in order to assess the environmental impacts and benefits of those projects; get funding allocations and priorities for environmental mitigation from the Innovative Finance and Alternative Funding Work Group, including projects that are identified by the Community Impact Mitigation and Workforce Development Work Group; report back to the Environmental Impacts Mitigation Work Group on the efforts and direction of the Integrating Work Group.

Next Meeting Schedule

November 16, 2005 is the tentative date for the next Environmental Impact Mitigation Work Group meeting.

**XIV. Adjourn**

Meeting was adjourned at 12:30 p.m.